

## USDA RURAL DEVELOPMENT NEBRASKA

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### **Biodiesel Plant for Bruning? -- \$25,000 Feasibility Study Funded By USDA Rural Development**

Lincoln, Nebraska, July 31--Value-added is one of today's marketing tools for producers. Bruning Grain and Feed, a 50-year-old grain elevator located in Thayer County of Nebraska, realizes the importance of this concept. The elevator proposes to install a soy ester production facility to "add value" to their crude soybean oil by-product, opening an avenue to new markets. USDA Rural Development announced today that \$25,000 in grant funds have been awarded to the Bruning Community Foundation, Inc. to fund a feasibility study for Bruning Grain and Feed's proposed value-added project.

Currently, Bruning Grain and Feed has an active soybean processing facility which produces a 43 percent protein and 7 percent fat soybean meal through an extruder/expeller process as well as crude soybean oil as a by-product. Today's markets for all soybean oil are extremely depressed and a portion of previous outlets for soybean oil have been eliminated through recent acquisitions in the soybean crushing and refining business. Bruning Grain & Feed proposes to process the crude soybean oil into a diesel fuel substitute by installing equipment for the production of soybean oil esters.

Deborah Drbal, business and community programs specialist for USDA Rural Development stated, "The USDA funded feasibility study for Bruning Grain & Feed's proposed soy ester production facility will be conducted by the Independent Biodiesel Feasibility Group of Missouri." "The study will analyze the advantages and disadvantages of biodiesel manufacturing, furnish a full economic analysis and a summary of pertinent facts regarding the biodiesel industry. This information will be used to provide an overall economic evaluation for the proposed operation."

The community of Bruning, home to approximately 300 residents, knows that making it in the rural area gets increasingly more challenging each year. To stay competitive, this primarily farming community looks for techniques that will make their commodities more marketable. If a biodiesel plant is deemed feasible, the community could see numerous benefits. Additional jobs will be created, added income in the community will boost the local economy, additional tax monies will be generated from the increased business value, and the agricultural economy will be assisted.

Through the USDA Rural Development Rural Business Opportunity Grant Program grant funds are awarded to non-profits such as Bruning Community Foundation, Inc., public bodies, federally recognized tribal groups and cooperatives to provide technical assistance for business development and to conduct economic planning in rural areas. Rural areas are those communities with a population of 10,000 and under.

USDA Rural Development is a credit arm of the U.S. Department of Agriculture whose mission is to provide financial assistance to rural communities who are unable to secure acceptable credit elsewhere for housing, community facilities, and business development. Assistance provided can be in the form of grants, direct loans, and guarantees on loans made by commercial lenders.

For information regarding USDA Rural Development Loan and Grant Programs, contact Deborah Drbal in the USDA Rural Development Office, Rm. 152 Federal Building 100 Centennial Mall North Lincoln, Neb. 68508 or phone (402) 437-5558. Website: [www.rurdev.usda.gov/ne/](http://www.rurdev.usda.gov/ne/).

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